

***Additional Information Specific to Fidelity and Other Mutual Funds***

Descriptions in this Prospectus of the Fidelity and other mutual funds available to you under the Plan are summary in nature and have been provided by Fidelity or the other mutual fund managers. Fidelity Management & Research Company manages the Fidelity mutual funds. **IT IS YOUR RESPONSIBILITY TO OBTAIN AND READ THE SEPARATE PROSPECTUS FOR EACH FIDELITY AND OTHER MUTUAL FUND IN WHICH YOU WISH TO INVEST BEFORE YOU MAKE YOUR INVESTMENT.** Each Fidelity and other mutual fund prospectus contains additional information on the Fund's objectives, risks, fees, exchanges, redemptions, securities lending, and its use of derivatives. Certain Fidelity mutual funds carry a sales charge (load); however, these charges are waived for Plan participants. Certain mutual funds, typically those whose securities have high trading costs, may impose a redemption fee if an investment is held for less than a stated period (this fee is paid to the mutual fund and is intended to protect the Fund's performance and remaining shareholders by discouraging frequent trading in response to short-term market fluctuations). If applicable, these fees are disclosed in the individual mutual fund prospectuses. You may obtain copies of any Fidelity and other mutual fund prospectus by either accessing the Plan's website at [www.delphi401k.com](http://www.delphi401k.com) or by calling the Investment Service Center at 1-877-389-2374.

***Brief Descriptions of the Fidelity and Other Mutual Funds***

**U.S. EQUITY FUNDS**

**Domini Social Equity Fund® (93967)**

The Fund is an index fund, and holds all the stocks that make up the Domini 400 Social Index<sup>SM</sup> in approximately the same proportions as they are represented in the index. The Fund includes companies with positive records in community involvement, the environment, employee relations, and hiring practices. It avoids companies with significant revenues from alcohol, tobacco, gambling, nuclear power, and weapons contracting. Share price and return will vary. Advised by Domini Social Investments LLC, and sub-managed by SSgA Funds Management, Inc. Distributed by DSIL Investment Services LLC, which provided the description for the Fund. Domini 400 Social Index<sup>SM</sup> is a service mark of KLD Research & Analytics, Inc. (KLD) which is used under license. KLD is the owner of the Domini 400 Social Index. KLD determines the composition of the Domini 400 Social Index but is not the manager of the Domini Social Index Portfolio, the Domini Social Equity Fund, or the Domini Institutional Social Equity Fund. It is an index comprising stocks selected according to social criteria.

**Fidelity Aggressive Growth Fund (00324)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund invests in companies that the manager believes offer the potential for accelerated earnings or revenue growth. The Fund focuses on investments in medium-sized companies, but may also invest substantially in larger or smaller companies. Investments in mid-sized companies may involve greater risk than those in larger, more well known companies, but may be less volatile than investments in smaller companies. The Fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Blue Chip Growth Fund (00312)**

The Fund seeks to provide growth of capital over the long term by normally investing primarily in common stocks of well-known and established companies. The Fund normally invests at least 80% of its assets in blue chip companies (those with a market capitalization of at least \$200 million if the company's stock is included in the S&P 500® Index or the Dow Jones Industrial Average, or \$1 billion if not included in either index). The Fund may also invest in companies that the manager believes have above-average growth potential. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary. The Dow Jones Industrial Average is an unmanaged index composed of common stocks of major industrial companies, and assumes reinvestment of dividends. The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

**Fidelity Capital Appreciation Fund (00307)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Contrafund® (00022)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund may invest in securities of domestic and foreign issuers whose value the Fund's manager believes is not fully recognized by the public. The Fund may invest in "growth" or "value" stocks, or both. Share price and return will vary.

**Fidelity Disciplined Equity Fund (00315)**

The Fund seeks to provide capital growth by normally investing at least 80% of its assets in common stocks. The manager seeks to reduce the impact of industry weightings on the Fund's performance relative to the S&P 500® Index. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary. The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

**Fidelity Dividend Growth Fund (00330)**

The Fund seeks to provide capital appreciation by normally investing at least 80% of its assets in equity securities. The Fund normally invests primarily in common stocks of companies that pay dividends or that Fidelity Management & Research Company (FMR) believes have the potential to pay dividends in the future. The Fund may invest in securities of domestic and foreign issuers. It is important to note that the Fund does not invest for income. Share price and return will vary.

**Fidelity Equity-Income Fund (00023)**

The Fund seeks to provide reasonable income. In pursuing this objective, the Fund will also consider the potential for capital appreciation. The Fund seeks to provide a yield that exceeds the composite yield of the S&P 500® Index. The Fund normally invests at least 80% of its assets in income-producing equity securities, which tends to lead to investments in large cap "value" stocks. The Fund may potentially invest in other types of equity and debt securities, including lower-quality debt securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary. The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

**Fidelity Equity-Income II Fund (00319)**

The Fund seeks to provide reasonable income. In pursuing this objective, the Fund will also consider the potential for capital appreciation. The Fund seeks to provide a yield that exceeds the composite yield of the S&P 500® Index. The Fund normally invests at least 80% of its assets in income-producing equity securities, which tends to lead to investments in large cap "value" stocks. The Fund may potentially invest in other types of equity securities and debt securities, including lower-quality debt securities. Lower-quality debt securities involve greater

risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund may invest in securities of domestic or foreign issuers. Share price and return will vary. The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

**Fidelity Export and Multinational Fund (00332)**

The Fund seeks long-term growth of capital by normally investing in common stocks, including "growth" and "value" stocks, or both. The Fund normally invests in securities of U.S. companies that are expected to benefit from exporting or selling their goods or services outside the United States. Export and multinational companies can be significantly affected by political, economic, and regulatory developments in foreign markets. The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. The Fund may potentially invest in securities of foreign issuers and companies that are not export or multinational companies. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

**Fidelity Fifty® (00500)**

The Fund seeks to provide capital appreciation by investing primarily in common stocks of companies that the manager believes have the greatest potential for growth. The Fund normally invests in 50-60 stocks of both domestic and foreign issuers. The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

**Fidelity Fund (00003)**

The Fund seeks to provide long-term capital growth by normally investing primarily in common stocks. The Fund may potentially invest a portion of its assets in bonds, including lower-quality debt securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Growth Company Fund (00025)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund invests in

companies that the manager believes have above-average growth potential. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Growth & Income Portfolio (00027)**

The Fund seeks to provide high total return through a combination of current income and capital appreciation by normally investing a majority of its assets in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. The Fund may potentially invest in bonds, including lower-quality debt securities, as well as in stocks that are not currently paying dividends, but that offer prospects for future income or capital appreciation. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Independence Fund (00073)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks of domestic and foreign issuers. The Fund may realize capital gains without considering the tax consequences to shareholders. Share price and return will vary.

**Fidelity Low-Priced Stock Fund (00316)**

The Fund seeks to provide capital appreciation by normally investing at least 80% of its assets in low-priced stocks (those priced at or below \$35 per share), which can lead to investments in small and medium-sized companies. The Fund may potentially invest in stocks not considered low priced. Investments in smaller companies may involve greater risk than those of larger, more well known companies. The Fund may invest in securities of domestic and foreign issuers. The Fund may invest in "growth" or "value" stocks, or both. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Magellan® Fund (00021)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund may invest in securities of domestic and foreign issuers. The Fund may invest in "growth" or "value" stocks, or both. Not more than 40% of the Fund's assets may be invested in companies operating exclusively in any one foreign country. Share price and return will vary.

**Fidelity Mid-Cap Stock Fund (00337)**

The Fund seeks to provide long-term growth of capital by normally investing at least 80% of its assets in common stocks of companies with medium market capitalizations (those with market capitalizations similar to companies

in the Russell Midcap® Index or the S&P® MidCap 400 Index). The Fund may potentially invest in companies with smaller or larger market capitalizations. Investments in mid-sized companies may involve greater risk than those of larger, more well known companies, but may be less volatile than investments in smaller companies. The Fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary. The Russell Midcap® Index is an unmanaged market capitalization-weighted index of medium-capitalization U.S. company stocks. The S&P® MidCap 400 Index is an unmanaged market capitalization-weighted index of 400 medium-capitalization stocks.

**Fidelity OTC Portfolio (00093)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund normally invests at least 80% of its assets in securities principally traded on the NASDAQ® or another over-the-counter (OTC) market, which has more small and medium-sized companies than other markets. The Fund may potentially invest in non-OTC securities. The Fund will invest more than 25% of its assets in the technology sector. The Fund is considered to be non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. The Fund may invest in securities of domestic and foreign issuers. Securities traded on the OTC market tend to be from smaller or newer companies, which generally involve greater investment risk than investments in larger, more well known companies. Share price and return will vary.

**Fidelity Small Cap Independence Fund (00336)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund normally invests at least 80% of its assets in securities of companies with small market capitalization (those with market capitalization similar to companies in the Russell 2000® Index or the S&P® SmallCap 600 Index). Investments in smaller companies may involve greater risk than those in larger, more well known companies. The Fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary. The Russell 2000® Index is an unmanaged index composed of the 2,000 smallest securities in the Russell 3000® Index and includes reinvestment of dividends. The S&P® SmallCap 600 Index is an unmanaged market capitalization-weighted index of 600 small-capitalization stocks.



**Fidelity Stock Selector (00320)**

The Fund seeks to provide capital growth by normally investing at least 80% of its assets in common stocks. The Fund may invest in either "growth" or "value" stocks, or both. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Trend Fund (00005)**

The Fund seeks to provide growth of capital by normally investing primarily in common stocks. The manager studies momentum in trends of individual companies, industries, and general market security prices and earnings. The Fund may invest in "growth" or "value" stocks, or both. The Fund invests in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Value Fund (00039)**

The Fund seeks to provide capital appreciation by normally investing primarily in common stocks. The Fund invests in securities of companies that possess valuable fixed assets or that the manager believes are undervalued in the marketplace in relation to factors such as assets, earnings, or growth potential. Such stocks can continue to be "undervalued" by the market for long periods of time, and might never realize their full value. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Neuberger Berman Socially Responsive Fund\* — Trust Class (93895)**

The Fund invests primarily common stocks of value companies that meet both the Fund's social policy and financial criteria. The managers initially screen companies using value investing criteria. Among companies that meet these criteria, they look for companies that show leadership in major areas of social impact, such as the environment, workplace and community. They also consider companies' records in other areas, such as public health and the impact of their products. Share price and return will vary. Trust shares are available through the plan. The Fund is managed by Neuberger Berman Management Inc., which provided the description for this Fund.

**U.S. FIXED-INCOME FUNDS****Fidelity Capital & Income Fund (00038)**

The Fund seeks to provide a combination of income and capital growth by investing in equity and debt securities, including defaulted securities, with an emphasis on lower-quality debt securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund invests in companies in troubled or uncertain financial condition. The Fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account

equal to 1% of the value of the shares sold. Share price and return will vary.

**Spartan® Government Income Fund (00453)**

The Fund seeks to provide a high level of current income by normally investing at least 80% of its assets in U.S. Government securities, and in repurchase agreements for those securities. The Fund also may invest in instruments related to U.S. Government securities. The Fund is managed to have similar overall interest rate risk to that of the Lehman Brothers Government Bond Index. The Fund may invest in securities with different maturities. Investments in the Fund are not guaranteed or insured by the FDIC or any other government agency. Share price, yield, and return will vary. The Lehman Brothers Government Bond Index is an unmanaged market value-weighted index of U.S. Government and government agency securities (other than mortgage securities) with maturities of one year or more.

**Spartan® Investment Grade Bond Fund (00448)**

The Fund seeks to provide a high level of current income by normally investing at least 80% of its assets in investment-grade debt securities. The Fund is managed to have similar overall interest rate risk to that of the Lehman Brothers Aggregate Bond Index. An investment in this portfolio is not guaranteed or insured by the FDIC, or any other government agency. Share price, yield, and return will vary. The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more.

**INTERNATIONAL FUNDS****Fidelity Canada Fund (00309)**

The Fund seeks to provide long-term growth of capital by normally investing at least 80% of its assets in securities of issuers that have their principal activities in Canada or registered in Canadian markets. Foreign investments involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. There is additional risk involved in investing in one geographic location. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Diversified International Fund (00325)**

The Fund seeks to provide capital growth by normally investing primarily in foreign securities. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertain-

ties of foreign countries, as well as the risk of currency fluctuation. If you sell your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity Emerging Markets Fund (00322)**

The Fund seeks to provide capital appreciation by normally investing at least 80% of its assets in securities of issuers in emerging markets. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Europe Fund (00301)**

The Fund seeks to provide long-term growth of capital by normally investing at least 80% of its assets in securities of issuers that have their principal activities in Europe. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. There is additional risk involved in investing in one geographic location. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity International Growth & Income Fund (00305)**

The Fund seeks to provide capital growth and current income consistent with reasonable investment risk by normally investing primarily in foreign securities. The Fund normally invests a majority of its assets in common stocks, with a focus on those that pay current dividends and show potential for capital appreciation. The Fund may potentially invest in debt securities, including lower-quality debt securities. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity New Markets Income Fund (00331)**

The Fund seeks to provide high current income. As a secondary objective the Fund seeks to provide capital appreciation. The Fund normally invests at least 80% of its assets in debt securities of issuers in emerging markets. The Fund may potentially invest in other types of securities, including equity securities of emerging market issuers, debt securities of non-emerging market foreign issuers, and lower-quality debt securities of U.S. issuers. The Fund may invest up to 35% of its assets in these securities, but does not anticipate that these investments will exceed 20% of the Fund's assets. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund normally diversifies investments across different emerging market countries. The Fund is considered non-diversified as to issuer and may invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. There is additional risk involved with investing in one geographic location. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity Overseas Fund (00094)**

The Fund seeks to provide long-term growth of capital by normally investing at least 80% of its assets in foreign securities. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**Fidelity Pacific Basin Fund (00302)**

The Fund seeks to provide long-term growth of capital by normally investing at least 80% of its assets in securities of issuers that have their principal activities in the Pacific Basin. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. There is additional risk involved with investing in one geographic location. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term

trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

**Fidelity Worldwide Fund (00318)**

The Fund seeks to provide capital growth by normally investing in securities issued anywhere in the world. The Fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

**SPECIALTY/SECTOR FUNDS**

**Fidelity Asset Manager: Income® (00328)**

The Fund seeks to provide a high level of current income by allocating its assets among stocks, bonds, short-term instruments and other investments. The Fund may also consider the potential for capital appreciation. The manager allocates the Fund's assets among stocks, bonds, and short-term and money market instruments. The Fund's investments will normally fluctuate around a neutral mix of 20% stocks (can range from 10% to 30%), 50% bonds (can range from 40% to 60%), and 30% short-term/money market instruments (can range from 10% to 50%). The manager regularly reviews the Fund's allocations, and makes changes gradually to favor investments believed to provide the most favorable outlook for achieving the Fund's objective. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Asset Manager<sup>SM</sup> (00314)**

The Fund seeks to provide a high total return with reduced risk over the long term by allocating its assets among stocks, bonds, and short-term instruments. The manager allocates the Fund's assets among stocks, bonds, and short-term and money market instruments. The Fund's investments will normally fluctuate around a neutral mix of 50% of assets in stocks (can range from 30% to 70%), 40% of assets in bonds (can range from 20% to 60%), and 10% of assets in short-term/money market instruments (can range from 0% to 50%). The manager regularly reviews the Fund's allocations, and makes changes gradually to favor investments believed to provide the most favorable outlook for achieving the Fund's objective. The Fund may invest in securities of domestic and foreign issuers. Share price, yield, and return will vary.

**Fidelity Asset Manager: Growth® (00321)**

The Fund seeks to maximize total return over the long term by allocating its assets among stocks, bonds, short-term instruments, and other investments. The manager allocates the Fund's assets among domestic and foreign stocks, bonds, and short-term and money market investments. The Fund's investments will normally fluctuate around a neutral mix of 70% stocks (can range from 50% to 100%), 25% bonds (can range from 0% to 50%) and 5% short-term and money market investments (can range from 0% to 50%). The manager regularly reviews the Fund's allocations, and makes changes gradually to favor investments believed to provide the most favorable outlook for achieving the Fund's objectives. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Balanced Fund (00304)**

The Fund seeks to provide income and capital growth consistent with reasonable risk by normally investing approximately 60% of its assets in stocks and other equity securities, and the remainder in bonds and other debt securities, including lower-quality debt securities, when the outlook for the markets is neutral. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund will invest at least 25% of its assets in fixed income senior securities (including debt securities and preferred stocks). The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Convertible Securities Fund (00308)**

The Fund seeks to provide high total return through a combination of current income and capital appreciation by normally investing at least 80% of its assets in convertible securities, which are often lower-quality debt securities. Convertible securities perform more like a stock when the underlying share price is high, and more like a bond when the underlying share price is low. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund may potentially invest in other types of securities, including common stocks. The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

**Fidelity Global Balanced Fund (00334)**

The Fund seeks to provide income and capital growth consistent with reasonable risk by normally investing in equity and debt securities, including lower-quality debt securities issued anywhere in the world. The Fund invests at least 25% of its assets in fixed-income senior securities (including debt securities and preferred stock). Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well



as the risk of currency fluctuation. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. If you sell any of your shares after holding them for less than 30 days, the Fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

#### **Fidelity Strategic Income Fund (00368)**

The Fund seeks to provide a high level of current income and may also seek capital appreciation by investing primarily in debt securities, including lower-quality debt. The Fund allocates its assets among four general investment categories using a neutral mix of approximately 40% high yield, 30% U.S. Government and investment-grade, 15% emerging markets, and 15% foreign developed markets. The Fund may potentially invest in equity securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Share price, yield and return will vary.

#### **Fidelity Puritan® Fund (00004)**

The Fund seeks to provide income and capital growth consistent with reasonable risk by normally investing approximately 60% of its assets in stocks and other equity securities and the remainder in bonds and other debt securities, including lower-quality debt securities, when the outlook for the markets is neutral. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The Fund will invest at least 25% of its assets in fixed income senior securities (including debt securities and preferred stocks). The Fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

#### **Fidelity Real Estate Investment Portfolio (00303)**

The Fund seeks to provide above-average income and long-term capital growth, consistent with reasonable investment risk. The Fund seeks to provide a yield that exceeds the composite yield of the S&P 500® Index. The Fund normally invests at least 80% of its assets in equity securities of companies principally engaged in the real estate industry. The Fund may invest in securities of domestic and foreign issuers. The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. Due to their narrower focus, sector funds tend to be more volatile than funds that diversify across many sectors. If you sell any of your shares after holding them for less than 90 days, the Fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary. The S&P 500® Index

is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

#### **Fidelity Utilities Fund (00311)**

The Fund seeks to provide high total return through a combination of current income and capital appreciation by normally investing primarily in common stocks. The Fund normally invests at least 80% of its assets in securities of utility companies. Investments tend to emphasize those utility companies with strong growth potential rather than high current dividends. The Fund may invest in securities of domestic and foreign issuers. Due to their narrow focus, sector funds tend to be more volatile than funds that diversify across many sectors. Share price and return will vary.

#### **MISCELLANEOUS INFORMATION ABOUT YOUR ACCOUNT**

##### ***Performance Returns***

Performance return information on all the Program's investment funds, including performance information as of the end of the most recent calendar quarter, is disclosed in the Program's quarterly Performance Summary, which is provided with each quarterly account statement you receive. The Performance Summary is also available on the Program's website at [www.delphi401k.com](http://www.delphi401k.com).

**PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. ADDITIONALLY, FUNDS MAY HAVE SUSTAINED GAINS OR LOSSES RECENTLY DUE TO MARKET VOLATILITY OR OTHER REASONS. ACCORDINGLY, PERFORMANCE FOR A FUND FOR DATES SUBSEQUENT TO THE DATE OF THE MOST RECENT PERFORMANCE SUMMARY MAY BE DIFFERENT THAN THE PERFORMANCE STATED ON THE MOST RECENT PERFORMANCE SUMMARY.** Please visit the Program's website at [www.delphi401k.com](http://www.delphi401k.com), or call the Investment Service Center at 1-877-389-2374 for performance information.

Additionally, performance return information on the Program's investment funds, current as of the end of the most recent calendar quarter, is displayed on the Quarterly Fund Profiles, which can be obtained by accessing the Program's website at [www.delphi401k.com](http://www.delphi401k.com) or by calling the Investment Service Center at 1-877-389-2374.

##### ***Account Valuation Information***

Your investment in each Promark Fund and Company Stock Fund is expressed in terms of units. Your investment in each Fidelity and other mutual fund is expressed in terms of shares. The number of units/shares credited to your Plan account depends on the amount of your contributions, dividends (if applicable), and the purchase price of a unit/share in the fund. The daily value of your Plan account is determined by multiplying the number of

units/shares of each fund in your account by its respective current net asset value. You may obtain the value of your Plan account as of the close of business on the prior Business Day by accessing the Plan's website at [www.delphi401k.com](http://www.delphi401k.com) or by calling the Investment Service Center at any time at 1-877-389-2374.

#### **Electronic Funds Transfer (EFT)**

When you request a loan, withdrawal, or elect to receive eligible Delphi common stock dividends in cash from your PSP account through [www.delphi401k.com](http://www.delphi401k.com), you can have the proceeds transferred electronically to your bank account instead of waiting for a check. In addition, any requests to receive eligible Delphi common stock dividends or withdrawals through the Investment Service Center at 1-877-389-2374 may also be electronically deposited to your bank account. Currently loans processed through a Service Center Representative or the voice response system (VRS) cannot be electronically deposited. If you will be requesting an online loan, a withdrawal, or Delphi common stock dividend in the future and would like to take advantage of EFT, you will need to have the service established in advance. The setup involves a process known as a "pre-note" and can be initiated online through the PSP website by clicking on "Electronic Funds Transfer," under the My Profile section, or by calling the Investment Service Center at 1-877-389-2374. It generally requires 6 business days to complete the EFT set-up process.

#### **Plan Accounts**

Delphi provides for the maintenance of suitable records to reflect your individual separate Plan account balance. You will be furnished a statement, every three months, showing the assets, including earnings thereon, credited to your Plan account, or you can access the Plan's website at [www.delphi401k.com](http://www.delphi401k.com) to select a statement anytime.

You will be provided performance return information on all the investment options with each quarterly account statement. In addition, performance return information for the Plan's investment options current as of the end of the most recent calendar quarter is displayed on the Quarterly Fund Profiles and the most recent Performance Summary, which can be obtained by accessing the Plan's website at [www.delphi401k.com](http://www.delphi401k.com) or by calling the Investment Service Center at 1-877-389-2374.

#### **FUND EXCHANGES (TRANSFERS)**

Except as provided below, you may, on a daily basis, exchange all or any part of your Plan assets among the investment options. However, an exchange involving a Mutual Fund is subject to a minimum current market value of \$250 or, if less, all such assets in the Mutual Fund. No exchange of assets into the GM \$1-2/3 Par Value Common Stock Fund, Hughes Common Stock Fund, News Corporation Preferred ADS Fund, EDS Common Stock Fund or Raytheon Company Common Stock Fund is per-

mitted. Certain funds, typically those whose securities have high trading costs, may impose a redemption fee if an investment is held for less than a stated period (this fee is paid to the Fund and is designed to help protect the Fund's performance and shareholders by discouraging frequent trading in response to short-term market fluctuations). These fees are disclosed in the individual mutual fund prospectuses or for the non-mutual funds the fees are in the quarterly Performance Summary.

**GM INVESTMENT MANAGEMENT AND GM TRUST BANK RESERVE THE RIGHT TO MODIFY OR SUSPEND EXCHANGES AMONG ANY ONE OR MORE OF THE PROMARK OR COMPANY STOCK FUNDS OFFERED UNDER THE PLAN AT ANY TIME IN RESPONSE TO MARKET CONDITIONS OR OTHERWISE. FURTHERMORE, THE MUTUAL FUND PROVIDERS RESERVE THE RIGHT TO MODIFY, SUSPEND, OR DELAY EXCHANGES AMONG THEIR MUTUAL FUNDS AS DESCRIBED IN THEIR PROSPECTUSES OR TO SUSPEND OR DELAY PURCHASE AND/OR REDEMPTIONS FROM THEIR FUNDS, WHICH MIGHT IN TURN DELAY YOUR EXCHANGES TO OR FROM THE OTHER FUNDS IN THE PLAN. NEITHER DELPHI, GMIMCO, GMTB, OR THE OTHER FUND MANAGERS, THE INVESTMENT ADVISORS NOR THE TRUSTEE SHALL BE RESPONSIBLE FOR ANY ECONOMIC IMPACT (INCLUDING CHANGE IN MARKET VALUE) RESULTING FROM ANY SUCH SUSPENSION OR MODIFICATION.**

Except as discussed above, any election to exchange assets is irrevocable as of the close of business of the NYSE, normally 4:00 p.m. (E.T.) on the Business Day received by the Investment Service Center. If your exchange of assets request is received and confirmed after the close of business of the NYSE, normally 4:00 p.m. (E.T.) on any Business Day, or on a weekend or holiday observed by the NYSE or on a day when subscriptions, redemptions, or exchanges of your fund have been suspended or restricted, it will become effective on the next Business Day. Your exchange of assets will be processed at the fund's closing price on the Business Day as described above.

#### **LOANS**

You may borrow assets from your account once each calendar year. If you are a former employee or the surviving spouse of a Plan Participant and have retained assets in the Plan, you may also borrow assets from your account. Any election to obtain a loan is irrevocable as of the close of business of the NYSE, on the Business Day such request is received and confirmed by the Investment Service Center. Additionally, you may not have more than five loans outstanding at any one time.

Loans are granted in whole dollar amounts, with \$1,000 as the minimum amount of any loan. Loans are also granted for an amount which, when added to the outstanding



balance of all your other Plan loans, is not more than the lesser of: (1) \$50,000, less the highest aggregate outstanding loan balance over the 12-month period preceding your request for such loan; or (2) one-half of the vested assets in your account. Loans have a minimum term of 12 months, with additional increments of 12 months, as you may elect, up to a maximum of five years (ten years in the event the loan is for the purchase or construction of your principal residence). You may not elect a loan term which would result in weekly repayments of less than \$10.00. Furthermore, while you remain actively employed by Delphi the maximum amount available for a loan will be reduced by an amount equal to the outstanding principal, including accrued interest, of any loan defaulted after December 31, 2003, and deemed a distribution (as described later in this "Loan" section). However, as an active employee of Delphi you may repay a loan after it has been declared a deemed distribution, thus eliminating the restriction on the amount available for any subsequent loan.

The interest rate charged on your loan will be the Prime Rate (which means the interest rate reported as the "Prime Rate" in the Eastern Edition of *The Wall Street Journal* in the general guide to money rates) prevailing as of the last business day of the calendar quarter immediately preceding the date on which your request for the loan is received and confirmed by the Investment Service Center. The interest rate remains fixed for the duration of the loan.

You may elect, by investment option, which assets are to be liquidated in your account in order to obtain the principal amount of the loan. No earnings will accrue on the assets liquidated for your loan. If your loan is not in default, repayment will be through weekly payroll deductions, except that if you are no longer an active employee, or are a surviving spouse, such repayments shall be made through monthly installment payments. Your loan repayments, including principal and interest, are allocated to your account in the same investment option(s) elected for weekly contributions to the Plan. If your last election on file is for a fund that no longer accepts new contributions, any loan repayments you make will be invested in the Promark Income Fund until you make an election. Partial and total prepayments on your loans are permitted at any time without penalty.

While on layoff you can continue to make installment payments or elect to suspend loan payments for a period of up to 12 months. If you are placed on a disability leave of absence, you must make installment payments while on such leave. However, in no event may you have a loan extended beyond the maximum loan term of five (or ten) years, except for an employee rehired following qualified military service.

As an active employee, if you fail to make the required loan payments and such failure continues beyond the calendar quarter following the calendar quarter in which a required payment was due, your loan will be defaulted

and you will be deemed to have received a distribution in an amount equal to the sum of the outstanding principal and accrued interest. Prior to a loan default, you will be notified and provided an opportunity to repay your loan. While an active employee, you will still be required to repay the loan directly to the Investment Service Center, and you will not be relieved of the liability to repay such loan.

If your employment terminates (including termination due to death or retirement) and you have an outstanding loan and a total settlement of your account is requested, you shall be deemed to have elected a withdrawal equal to the sum of (1) the assets in your account, (2) the remaining outstanding principal amount of the loan, and (3) accrued interest thereon.

In the event you fail to make the required loan payments and such failure continues beyond the last day of the calendar quarter following the calendar quarter in which a required payment was due, then your loan shall be defaulted as of such last day and you will be considered to have received an actual distribution in an amount equal to the sum of the outstanding principal and accrued interest. Prior to a loan default, you will be notified. Also, terminated participants may not repay a defaulted loan.

#### ***Electronic Loan Payment***

In the first half of 2004 the Electronic Loan Payment service will be offered. This service allows you to make loan payments electronically by transferring funds from your personal bank account to your PSP account. You may use the service to make partial payments and full payoffs; inactive participants may use it as an alternative to loan coupons. The Electronic Loan Payment service has been referred to by several names including ACH, EFT and Direct Debit. All refer to a service that enables you to make loan payments electronically by authorizing Fidelity to debit your checking or savings account and deposit the funds into your PSP account. To take advantage of this convenient repayment method, log on to [www.delphi.401k.com](http://www.delphi.401k.com), click on the "Accounts" tab and from the left hand menu select "Loans" under "Account Management", from there click on the "Bank Information" tab in the upper right corner of the page. Or you may call the Investment Service Center at 1-877-389-2374.

#### **WITHDRAWALS AND DISTRIBUTIONS**

You may withdraw assets from your account on a daily basis, subject to the following provisions:

- (1) Prior to receiving a withdrawal of before-tax Deferred Assets, you must withdraw all available After-Tax Assets, including earnings thereon.
- (2) Deferred Assets may be withdrawn, subject to the provision outlined in (1) above, at any time after you

attain age 59½ or prior to you attaining age 59½ because of termination of employment, retirement, death, Total and Permanent Disability, or Financial Hardship. "Total and Permanent Disability" means you are currently eligible for a benefit under the Delphi Hourly Rate Employees Pension Plan because of Total and Permanent Disability or you would be eligible for such a benefit except you do not have ten years of credited service. The term "Financial Hardship" means a reason given by you when you apply for a withdrawal of assets before attaining age 59½ which indicates the withdrawal is (1) necessary to meet your immediate and substantial financial needs, (2) for an amount required to meet the immediate financial needs created by the hardship, and (3) for an amount that is not reasonably available from your other resources. The reason for a Financial Hardship must be permitted under existing Code regulations and rulings and must be for a reason limited to:

- (a) Purchase or construction of your principal residence;
- (b) Payment of expenses to prevent foreclosure on your principal residence or to prevent eviction from your principal residence;
- (c) Payment of tuition for the next 12 months of post-secondary education for you, your spouse, or your dependent(s);
- (d) Payment of medical expenses previously incurred or necessary to obtain medical care for you, your spouse, or your dependent(s); or
- (e) Any other reason acceptable under published Code regulations and rulings.

The amount of assets that may be withdrawn for a Financial Hardship is limited to the lesser of the total amount of Deferred Savings in your account or the actual amount required to meet the Financial Hardship, including expenses to cover reasonably anticipated taxes and early withdrawal penalties. Assets are distributed to you for a Financial Hardship in the form of cash. Any withdrawal from the Plan for Financial Hardship will be limited to the amount of your Deferred Savings. Earnings on your Deferred Savings are not available for a Financial Hardship withdrawal. In addition, before you may withdraw assets for a Financial Hardship, you must take all available asset distributions, withdrawals, and loans under all applicable plans maintained by Delphi for you.

Once you receive a Financial Hardship withdrawal you will be suspended from contributing to the Plan for a 12-month period following such Financial Hardship withdrawal. Additionally, your annual Deferred Savings limitation amount for the following year will be reduced by the amount of contributions you made during the year in which you took the Financial Hardship withdrawal.

When you take a withdrawal or distribution from your account, your assets are settled in cash. For assets in any of the Company Stock Funds only, you may choose to receive cash or a stock certificate. Any fractional share will be paid in cash.

In addition, upon your death, your beneficiary may elect to retain all your assets in the Plan or have all assets in your account distributed, as described in the Section entitled "Miscellaneous, Designation of Beneficiaries." Furthermore, your beneficiary may elect to receive cash-in-lieu of stock, if applicable.

In the event of termination, or partial termination, of the Plan without establishment of a successor plan, Delphi may direct the Trustee to continue to administer the trust fund and pay Plan account balances upon termination of employment from Delphi by all participating employees until the trust fund has been liquidated, or Delphi may distribute all assets in the trust fund in a lump sum to participants in proportion to their respective Plan account balances.

**GM INVESTMENT MANAGEMENT AND GM TRUST BANK RESERVE THE RIGHT TO MODIFY OR SUSPEND TEMPORARILY THE RIGHT TO EFFECT WITHDRAWALS AT ANY TIME IN RESPONSE TO MARKET CONDITIONS OR OTHERWISE. NEITHER DELPHI, GM INVESTMENT MANAGEMENT, GM TRUST BANK, THE FUND MANAGERS, THE INVESTMENT ADVISORS, NOR THE TRUSTEE SHALL BE RESPONSIBLE FOR ANY ECONOMIC IMPACT (INCLUDING CHANGE IN MARKET VALUE) RESULTING FROM ANY SUCH SUSPENSION OR MODIFICATION.**

#### ***ESOP Dividend Distribution***

You have the option to receive a cash payment of any quarterly dividends from the Delphi Common Stock Fund held in the ESOP portion of the Plan. If you make an election through the Investment Service Center, any cash dividends shall be distributed directly to you rather than being reinvested in the respective Funds. You may elect to receive (a) 100% of such dividends in cash, or (b) 50% of such dividends in cash and reinvest the remainder in the respective Funds. Your election will remain continuously in effect until changed by you. If you would like to change your election, call the Investment Service Center any time; however, the election in effect as of 4:00 p.m. (E.T.) on the last Business Day before the dividend payment date determines how your dividends will be paid. If you have not made an election, dividends automatically will be reinvested in the respective Funds in your account.

Dividends, as determined by the Delphi Board of Directors, are currently paid once each calendar quarter on the dividend payment date.

#### ***Termination of Employment***

If you terminate employment from the Corporation for any reason, you may continue to leave all assets credited to your account in the Plan. As long as you have assets in the

Plan, you may (1) exchange assets among the various investment funds, (2) borrow against your assets pursuant to the provisions of the Plan, and (3) elect to withdraw all, or part, of the assets in your account at any time. The Date of Valuation for your transaction is the business day on which your request is received by the Investment Service Center as long as such request is received and confirmed before the close of business of the NYSE, normally 4:00 p.m. (E.T.). If your request is received and confirmed after the close of business on the NYSE, or on a weekend or holiday observed by the NYSE, or on a day when subscriptions and redemptions from your fund have been suspended or restricted, your Date of Valuation will be on the next Business Day. Your election to withdraw assets will become irrevocable as of the close of business of the NYSE on the Business Day your election is received and confirmed by the Investment Service Center.

In addition, you have the opportunity to receive installment payments each calendar month, calendar quarter, semi-annually, or on an annual basis. These payments must be in whole dollar amounts with \$100 established as the monthly minimum. You also have the opportunity to change or discontinue installment payments at any time by calling the Investment Service Center.

Also, as a terminated participant, any assets remaining in your account after you attain age 70½ are subject to federal minimum annual distribution requirements. As a result, partial distribution of your account will begin not later than April 1 of the calendar year following the calendar year in which you attain age 70½ and shall be made annually thereafter. If you die and your spousal beneficiary elects to keep your assets in the Plan, your surviving spouse will be deemed to have attained age 70½ on the date you would have attained such age. If your surviving spouse has not withdrawn all of the account assets by the date you would have attained age 70½, legally required minimum annual distributions will begin to be paid to your spouse from the account.

If a distribution is generated for you and you did not request a distribution of assets, such assets will be distributed in cash and federal income tax will be withheld.

If you request a distribution of assets, such assets will be distributed as you elected.

#### ***Distribution for Active Employees that Attain Age 70½***

If you attain age 70½, and you have not terminated employment with Delphi, annual required distributions will begin following your termination of employment with Delphi.

#### ***Undeliverable Assets***

In the event a distribution to you or your beneficiary cannot be made because the identity or location of you or your beneficiary cannot be determined after reasonable efforts, and the settlement remains undeliverable for a period of

one year from the processing date, the assets will be returned to the trust fund and liquidated. Any liquidated assets will be applied to reduce reasonable administrative expenses of the Plan; provided, however, that such liquidated assets will be paid to you or your beneficiary if the identity or location of you or your beneficiary is determined subsequently. No interest will be paid on such liquidated assets after the original processing date.

#### ***Distribution Upon Sale of Subsidiary or Assets***

If you continue employment following the sale of your Delphi employing location, you may receive a distribution of all assets in your Plan account.

#### **TRUST-TO-TRUST TRANSFERS**

The Administrator may request the Trustee to accept all of your funds transferred from a similar qualified plan, or may request the Trustee to transfer all of your funds to a similar qualified plan, provided such other qualified plan (1) is maintained by an employer which is a member of a controlled group of corporations of which your current employer is a member, or (2) is maintained by Delphi as part of its assumption of an applicable Delphi collective bargaining agreement, and (3) such other qualified plan permits such transfers. Any funds transferred will be in cash accompanied by written instructions from the Trustee setting forth your information specific to your account including the assets that are being transferred, and identifying the source of such accumulated funds.

No transfer to the Plan may be made by you if the transferring plan provides, or at any time provided, benefits through an alternative form of distribution, including annuities, which are not available through the Plan.

#### **CONTRIBUTIONS FROM OTHER ROLLOVER PLANS**

You will be permitted to make a rollover contribution to the Plan of the cash proceeds received from a traditional Individual Retirement Account ("IRA"). Also, you may make a rollover contribution to the Plan of the cash proceeds received from another eligible retirement plan. An "eligible retirement plan" includes a plan qualified under Section 401(a) of the Code, including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a Section 403(a) annuity plan; a Section 403(b) tax-sheltered annuity; and an eligible Section 457(b) plan maintained by a governmental employer. Additionally, cash proceeds received under a Qualified Domestic Relations Order from any of the plans described above may be rolled over to the Plan. Contributions of this kind must be made (1) by a "direct rollover," or (2) normally within 60 days from the date you receive a distribution.

#### **TAX CONSIDERATIONS**

##### ***General***

The Plan has been determined by the Internal Revenue Service to be a tax-qualified employee benefit plan,



meeting the requirements of the Code. The trust fund established under the Plan was determined to be exempt from United States federal income taxes.

The following comments are based on the current Code and regulations, rules and interpretations thereunder. Inasmuch as the terms of the Plan and the rules contained in the applicable provisions of the Code affecting the Plan are quite technical, the following statements are necessarily only very general in nature. Statutory provisions are, of course, subject to change, and their application may vary in individual circumstances. It is recommended that you discuss individual tax matters regarding the tax aspects of your participation in the Plan with a tax advisor.

#### **Contribution Limitations**

The total annual amount of your before-tax contributions to all deferred arrangements, including your annual Deferred Savings, will be limited to \$13,000 during 2004. This amount may be adjusted for subsequent calendar years, as provided by law. If you reach this limit your before-tax contributions will automatically stop, you may be able to contribute on an after tax basis by initiating a change online at [www.delphi401k.com](http://www.delphi401k.com) or by calling the Investment Service Center at 1-877-389-2374. Your After-Tax Savings contributions are not subject to the limitations described above; however, the limitations described below may apply to such contributions.

Deferred Savings and After-Tax Savings are separately subject to certain non-discrimination tests which are designed to prevent discrimination within the Plan in favor of employees in upper income levels. Accordingly, contributions may be limited for "highly compensated" employees participating in the Plan. The participating "highly compensated" employees (generally employees earning more than \$90,000 in 2003, and may be indexed for inflation), may have their contribution percentage reduced below the level they elect, depending upon the level of contributions made by other employees. If you are affected, your contribution percentage will be reduced.

In addition, your contributions may be limited under other tax law provisions. First, the amount of your compensation that may be taken into account under the Plan is limited to \$205,000 in 2004 (this amount may be adjusted periodically for subsequent calendar years as provided for by law). Second, the annual amount of contributions to tax-qualified retirement plans of Delphi is limited to \$41,000. Contributions subject to this limit include your Deferred Savings, After-Tax Savings, Delphi, and employee contributions to the Income Security Plan for certain Hourly Rate Employees. In the event you are not age 50 and your contributions exceed these limitations, any amount in excess will be returned to you.

If you are age 50 or over by the end of 2004, you may be eligible to make an additional \$3,000 Catch-Up contribution in 2004, provided your contributions have

reached a specific Plan limit. The limitations above which Catch-Up contributions may be made include the \$13,000 limit on before-tax contributions, the limitations on highly compensated employees, the \$41,000 limitation on annual contributions, and the 60% limit on Plan contributions. Any catch up election made during 2003 will automatically be carried over to the 2004 plan year. If you do not wish to have your catch up contribution carry over to 2004 you must elect to stop the catch up deduction by initiating a change online at [www.delphi401k.com](http://www.delphi401k.com) or by calling the Investment Service Center at 1-877-389-2374.

#### **Contributions to Plan**

United States federal income tax consequences can have an important bearing on your decision whether to participate in the Plan. Your Deferred Savings represent contributions made in accordance with the Code. Deferred Savings contributions reduce your income currently subject to federal income taxes, but such contributions will be subject to taxes when withdrawn or distributed. Your Deferred Savings contributions are subject to Social Security taxes. Thus, participation in the Plan will not cause a reduction in earnings subject to Social Security taxes.

In addition, Deferred Savings contributions are subject to restrictive withdrawal requirements which are described below and depending on your personal circumstances, amounts withdrawn or distributed also may be subject to the 10% additional tax.

Your After-Tax contributions do not reduce your currently taxable income and are taxed under special rules when distributed or withdrawn.

In certain situations, if you are age 50 or over by the end of 2004, you may be eligible to make an additional before-tax Catch-Up contribution up to \$3,000 in the year 2004.

#### **Restrictions on Distributions and Withdrawals of Deferred Assets**

Your before-tax Deferred Assets may not be withdrawn or distributed earlier than upon the occurrence of one of the following events: your reaching age 59½, retirement, death, Total and Permanent Disability, separation from employment, Financial Hardship, or termination of the Plan. Thus, during your active employment with Delphi, withdrawals of your before-tax Deferred Assets are permitted any time after age 59½, or for a Financial Hardship as covered under the terms of the Plan.

#### **Distributions Before Age 59½**

A 10% additional tax will apply to your withdrawal and distribution if you are under age 59½. The 10% additional tax does not apply to the non-taxable portion of your distribution or withdrawal or if you (1) retire during or after the calendar year in which you attain age 55, (2) use the money distributed or withdrawn to pay deductible